

AGN. NO. _____

MOTION BY SUPERVISOR MICHAEL D. ANTONOVICH

OCTOBER 7, 2014

On August 3, 2004, the Board of Commissioners approved the Infill Sites Utilization Program (Infill Program) and authorized the Executive Director of the Community Development Commission (CDC) to implement the Infill Program in order to provide affordable housing opportunities for low and moderate-income households in the unincorporated County and in cities participating in the CDBG Urban County Program. The Infill Program provides loans of up to a maximum of \$500,000 to developers for site acquisition, pre-development, construction, and permanent financing costs for rental and for-sale housing developments of four units or less.

On February 10, 2009, the Board approved amendments to the Infill Program to include the now completed federal Neighborhood Stabilization Program (NSP). Program guidelines for Infill Program projects not using NSP funding were not changed.

The Infill Program provides for the use of HOME Investment Partnership (HOME) Program, Community Development Block Grant (CDBG), and/or remainder City of Industry (COI) funds as eligible funding sources. A recent review of the Infill Program identified a need to amend the original 2004 requirements to allow greater flexibility in the use of COI funds and greater consistency with the HOME and CDBG requirements for this program. Currently, due to the per unit subsidy limit of \$100,000, the COI per Infill Program project limit is capped at \$400,000 compared to the HOME and CDBG requirements that allow \$500,000 per Infill Program project. In addition, HOME and CDBG funds can be used to finance site acquisition, predevelopment, rehabilitation/construction, and permanent financing; whereas, COI funds are restricted to acquisition and permanent financing. To more closely align the three funding sources to facilitate ease of use, the funding limits and program guidelines should be modified.

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I, THEREFORE, MOVE that the Board of Supervisors acting as the Commissioners:

1. Amend the Infill Program by increasing the \$400,000 per project limit to \$500,000 when COI funds are used and change the COI per unit subsidy limits to align with the per unit subsidy limits associated with the use of HOME and CDBG funds.
2. Allow COI funds to finance rehabilitation or construction-related costs in addition to previously established uses.

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